

CLAUSE I-3 – ADDITIONAL BOND SECURITY (August 2002)

The Subcontractor shall promptly furnish additional security required to protect SURA and/or the Government and persons supplying labor or materials under this subcontract if –

- (a) Any surety upon any bond furnished with this subcontract becomes unacceptable to SURA and/or the Government;
- (b) Any surety fails to furnish reports on its financial condition as required by SURA and/or the Government; or
- (c) The subcontract price is increased so that the penal sum of any bond becomes inadequate in the opinion of the Subcontracting Officer; or
- (d) An irrevocable letter of credit (ILC) used as security will expire before the end of the period of required security. If the Subcontractor does not furnish an acceptable extension or replacement ILC, or other acceptable substitute, at least 30 days before an ILC's scheduled expiration, the Subcontracting Officer has the right to immediately draw on the ILC.